



**NVision**  
CZECH REPUBLIC

# **Anti-corruption Training for Third Parties 2022**

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For many companies, the cooperation with third parties is critical. By using the skills and resources of third parties a company can grow its business, access new markets and harness innovation and resources. It can also leverage its influence and core strengths to energize its third parties to grow and contribute to this process.

That said, reliance on third parties brings risks. Companies are increasingly dependent on others and face a significant challenge in controlling the multiple dimensions of their businesses. While they are benefiting increasingly from concentration of the supply chain on critical third parties, this also increases vulnerability to risks such as bribery and corruption, disruption to continuity of operations, environmental or labor concerns and legal or reputational damage.

To protect against risks, companies must choose their third parties with care, ensure they operate to required standards and monitor their performance. The challenge is how to select, manage and monitor a third party population of diverse companies and to identify, understand and mitigate the truly relevant risks.



With this Anti-corruption training N Vision encourages and requires Third Parties we do business with to follow the same anti-corruption principles and standards as the basis of our mutual success. This training will provide you information what does it mean for your daily business with our Company.

## Our Company expects from Third parties to follow these principles:

- **Adhere** to the **valid anti-corruption legislation\*** and do not take any activities that may violate the regulations in the applicable Anti-corruption Acts or cause such a breach by the other Party, among other things, not to request, receive, offer, authorize, promise or make illegal payments directly, via third parties or as an intermediary, including (but not limited to) bribes in monetary or in any other form to any individuals or legal entities, including (but not limited to) government and local authorities, public officials, private companies and their representatives.

\* Anti-corruption laws- Criminal Act No. 40/2009 Coll., Act on Liability of Legal Entities and Proceedings Against Them No. 418/2011 Coll., FCPA, The Bribery Act and similar laws of the states in whose territory the Company conducts its business activities



- **Avoid** actions creating **conflict of interest**. In case of existing potential circumstances of conflict on interest, ensure our Company is notified.
- **Do not take any actions** that would exert unlawful influence on the **Public Officials\*\*** or for the purpose of a commercial bribe.



\*\*Public Official- Any Czech or foreign person, whether appointed or elected, holding a position in a legislative, executive, administrative or judicial body or an international organization; Any person performing any public role for the state, including roles for a governmental institution; leading politicians, officials of political parties, including candidates for political posts, ambassadors, influential functionaries in nationalized industries, managers and employees of state institutions, including doctors, military personnel, municipal employees, etc.; Persons who are known to be related to a state official by kind or in terms of friendly or business relationships, and/or acting on behalf of and/or for the benefit of a public official.

Note: In contrast to the Czech legislation of a public official (Section 2 of Act No. 159/2006 Coll., On Conflicts of Interest) for the purposes of this Policy, a public official may also be an employee of public administration bodies, state administration and municipality, state enterprise, legal entities established by law, state contributory organizations, municipalities, political parties and foreign public figures.

- **Properly maintain and keep all financial statements** and other documents confirming expenses incurred. Provide full support with respect to any investigation and/or audit that might be carried out. Keep and protect all confidential information that may come to their knowledge within the scope of the audit, pursuant to the Czech legislation.

Our Company openly declares zero tolerance to corruption in any form and requires unconditional compliance with the key anti-corruption principles and requirements covered by the Anti-Corruption Policy.

For more details please find our Anti-corruption policy on our external portal [NVision Czech Republic - Compliance and Privacy](#).





## Interaction with Public Officials (PO)

- It is forbidden to provide any valuables to the POs for influencing their official decision making process illegally in order to obtain, maintain or control business opportunities or commercial benefits of the Company.



## Gifts and Business Hospitality

- Gifts and Business Hospitality can be used for building long-term partnerships between the Company and the persons with whom it interacts in the course of its business. However, Gifts and Business Hospitality can be used for illegal influence and be deemed a bribe or commercial bribery under certain conditions.
- Any corruption scheme using Gifts and (or) signs Business Hospitality features, as well as extortion of such, are unacceptable.



## Sponsorship, Charity and Corporate Social Responsibility

- The Company does not finance and participate in charitable and/or sponsorship activities in order to obtain any undue advantages or preferences in connection with economic activities.
- Charity, sponsorship and corporate social responsibility activities targeted at illegal influencing are forbidden.



## Participation in Political Activities

- Our Company does not fund or participate in political activities.
- The Company does not prohibit the participation of employee in political activities unless it contradicts the applicable legislation. The employee does not use the Company name and property in such activities. The Company has to be notified prior the employee applies for any position connected with political activities.





## Facilitation Payments

- It is forbidden to make any payments or grant other benefits that are not provided for by applicable legislation and which are offered in order to facilitate or simplify the standard procedure (action) to which the Company has the right in accordance with the legislation, a contract or on other grounds.



## Payments through Intermediaries or in favor of Third parties

- It is forbidden to make payments in favor of any third parties if it is known or there are certain reasons to believe that all or part of such payment will be used for corruption.
- The Company is entitled to conduct verification procedures regarding any third party in order to prevent and/or identify the risks of the Company's involvement in corruption activities.



## Conflict of Interest

- Our Company and Third Party commit no to take any actions causing threat of a conflict of interest and within a reasonable time to notify the other Party of the potential circumstances of a conflict of interest that have come to its knowledge.



## Contracting

- Prohibition of Non-Contractual Relationships - any contract or agreement entered into by our Company in writing or electronically shall contain the entirety of conditions and arrangements subject to which such contract or agreement is entered into
- Our Company carries out an appropriate level of pre-engagement due diligence on third parties and repeat periodically.
- Anti-corruption clause is included into each contract/agreement to confirm the adherence to the applicable Anti-corruption legislation by both counterparties

## Marketing



- Any marketing activities are forbidden if they are aimed at: obtaining any unlawful business-related advantages or preferences; payment of remuneration to a PO, the representative of commercial organizations and/or any other person for the purposes of influencing their actions (ensuring their inaction) and/or inducing them to improperly discharge their official duties and/or for the purposes of gaining an unfair commercial advantage.

## Accounting Procedures



- Failure to comply with or an attempt of failure to comply with the procedures of internal financial control, misstatement or falsification of accounting statements of the Company is prohibited.

**Our Company carries out an appropriate level of pre-engagement due diligence on third parties and repeat periodically.**

**Due Diligence consists of obtaining and reviewing information about third party. Do not take it personally; it is no reflection on you. It is just a suitable method applied internationally in order to** screen third parties for red flags to enable our company to avoid association with third parties which could lead to reputational damage or legal liability. It is a systematic, periodic process carried out when entering into a contract or agreement with a third party.

Supplier Qualification Questionnaire applied in order to obtain information from the supplier within areas as: general supplier's information including contacts, quality & security, environment, logistics, finance and compliance.



Due Diligence is applied also for subcontractors involved by you to perform work and or provide services in pursuance of your agreement with our Company.

The following information about such subcontractors must be shared with our Company either prior the engagement or also during the validity of the contract.

- the subcontractor interacts with the Public Official on behalf of or in the interests of NVision Czech Republic a.s.; AND/OR
- the subcontractor is affiliated with the Public Official; AND/OR
- the subcontractor has committed a violation of Applicable Anti-Corruption Laws (if such information is available from reliable sources)

More information on the obligation of providing the information on the Subcontractors is documented in the Subcontractor Disclosure Regulation as mandatory attachment to the contract with the supplier. Further details on the obligation to share the information on subcontractors during the validity of the contract, you find available on our external portal [N Vision Czech Republic - Compliance and Privacy](#).

Companies and individuals can be liable for the bribes that their agents, consultants, sales representatives, distributors, lawyers, accountants, brokers, and other third party intermediaries make to public officials on their behalf.

To mitigate this risk, companies are expected to conduct integrity due diligence on their third parties and monitor their activities. Companies are also expected to equip their work forces to recognize the red flags of corruption related to the third parties they use.

While the existence of a red flag does not automatically preclude the use of a specific third party, it does warrant a closer review of the entity and perhaps the application of additional controls to the relationship, thereby safeguarding against a potential corruption violation.





## REPUTATIONAL RISK

- The transaction or the third party is in a country known for widespread corruption, as measured by the Transparency International Corruption Perceptions Index or other similar indices.
- The third party has a history of improper payment practices, such as prior or ongoing formal or informal investigations by law enforcement authorities or prior convictions.
- The third party, or any of its senior officials, has previously been subject to criminal enforcement actions or civil actions for acts suggesting illegal, improper or unethical conduct.
- The third party has a poor business reputation.
- Allegations that the third party has made or has a propensity to make prohibited payments or facilitation payments to officials.
- The third party does not have in place an adequate compliance program or code of conduct or refuses to adopt one.
- The third party is reluctant to accept Anti-corruption clauses and/or Subcontractor Disclosure Regulations.



## Government Relationship

- The shareholders, senior executives, board members, key personnel of the third party, or their family members are Public Officials.
- The third party is wholly or partly (directly or indirectly) owned by a Public Official/entity or has direct or indirect links with government officials/entities.
- The third party has previously worked for government, or is closely connected with the political elite.
- The third party, in the course of doing work for your organization, will have frequent interaction with Public Officials (including customs officials), government agencies or government controlled entities.
- There is rumor that the third party has an undisclosed beneficial owner.
- The third party makes large or frequent political contributions.
- The primary purpose for engaging the Third party is its connections to Public Officials.





## Ownership and Management

- It is hard to determine the ultimate ownership of the third party.
- The ownership is through what could be determined as a shell company.
- The third party or its owner(s) is incorporated in a tax haven/registered in offshore countries
- There are indications of proxy ownership.
- The third party has a complex or unorthodox ownership structure.



### Insufficient Capabilities

- The third party is in a different line of business than that for which it has been engaged.
- The third party lacks experience or a “track record” with the product, service, field, or industry.
- The third party does not have offices or a staff, or lacks adequate facilities or staff, to perform the work.
- The third party has an unorthodox corporate structure.
- The address of the third party’s business is a mail drop location, virtual office, or small private office that could not hold a business the size that is claimed.
- The third party is not expected to perform substantial work.
- The third party has not been in business for very long or was only recently incorporated.
- The third party’s plan for performing the work is vague and/or suggests a reliance on contacts or relationships.



### Method of Compensation

- The third party requests an unusual advance payment.
- The fee, commission, or volume discount provided to the third party is unusually high compared to the market rate.
- The third party compensation is to be based on performance (i.e. success fees, bonus fees and other contingency fees).
- The third party offers to submit or submits inflated, inaccurate, or suspicious invoices.
- The third party requests an invoice to reflect a higher amount than the actual price of goods provided.
- The third party's invoice vaguely describes the services provided.
- The third party requests payment in a jurisdiction outside its home country that has no relationship to the transaction or the entities involved in the transaction – especially if the country is an offshore financial center.
- The third party requests that payment be made to another third party or intermediary.
- The third party proposes the use of shell companies.
- The third party requests that payments be made to two or more accounts.
- The third party shares compensation with others whose identities are not disclosed.
- The third party refuses to properly document expenses.
- The third party pressures the company to make the payments urgently or ahead of schedule.
- The third party requests a large up-front payment.



## Unusual Circumstances

- The third party refuses to agree to comply with the FCPA, UKBA, equivalent applicable anti-corruption legislation, anti-money laundering laws, or other similar laws and regulations.
- The third party refuses to execute a written contract, or requests to perform services without a written contract where one is sought.
- The third party insists that its identity remain confidential or that the relationship remain secret.
- The third party refuses to divulge the identity of its beneficial owners, directors, officers, or other principals.
- The third party refuses to answer due diligence questions.
- The third party refuses to allow audit clauses in contracts.
- A suggestion by the third party that anti-corruption compliance policies need not be followed.
- A suggestion by the third party that otherwise illegal conduct is acceptable because it is the norm or customs in a particular country.
- Suspicious statements by the third party such as needing payments to “take care of things” or “finalize the deal.”
- The third party requests approval of a significantly excessive budget or unusual expenditures.

Whenever you are faced with a situation where you are asked for a small bribe, whether it is related to customs, immigration, or another issue, remember the following:

- Ask why the payment is necessary and for applicable support such as a tariff, law, rule, or regulation
- Request documentation, like an invoice or receipt, for the payment
- Ask to speak with the official's supervisor or immediate superior to confirm that the payment is necessary and legitimate
- Refer the official to your company's anti-bribery policy
- Involve your supervisor or manager, or even the legal or compliance department of your company, to increase transparency

Sometimes, a simple “no” will work.

**Remember – any improper payments you make, no matter how small, will expose you and our company to prosecution.**



Our Company provides speak – up channels for the third parties.

The third parties can send a violation report in any of the following ways:

- via the electronic form on the [www.oznam.to](http://www.oznam.to);
- via written notification sent to the external partner, company Lexnova s.r.o., Na rovnosti 12, 130 00 Prague 3, Czech Republic



**Thank You for participating in our Anti-  
corruption Training for Third Parties !**